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STATE FOR EUR/DAS KENNEDY AND EUR/RPM
DEFENSE FOR DASD MACDOUGALL
USNATO FOR UNDERWOOD

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SUBJECT: GENERAL WALD'S MARCH 30-31 VISIT TO ARMENIA

Classified By: Ambassador John M. Evans for reasons 1.4 (b) and (d)

Summary

[11.](#) (C) In meetings with President Kocharian, MOD Sargsian and CHOD Harutiunyan, EUCOM's General Charles Wald acknowledged steps Armenia had taken in the past year to open the way for a closer defense relationship with the U.S. General Wald assured President Kocharian that peace and stability in the Caucasus was a top priority within EUCOM. He expressed concern over the recent increase in cease-fire violations along the line of contact with Azerbaijan and pressed all of his interlocutors to find political resolution; a return to armed conflict would be devastating for both sides and would give new advantage to neither. He pressed Kocharian to demonstrate serious political leadership on this issue. Kocharian blamed Azerbaijan for the cease-fire violations and warned that an increase in bellicose rhetoric from Azerbaijan's leadership suggested that they were preparing their population for war. He showed keen interest in developments in Iraq and Afghanistan and appreciated General Wald's insights. End Summary.

General Wald's Warm Welcome in Armenia

[12.](#) (C) On March 30-31, EUCOM Deputy Commander General Charles Wald visited Armenia and met with President Robert Kocharian, Defense Minister Serzh Sargsian and Chief of General Staff (and First Deputy Minister of Defense) Mikhael Harutiunyan. With General Wald from EUCOM were Ambassador Lloyd Hand and Major General Scott Gration, although only a smaller group attended the meeting with President Kocharian. Despite other high-profile visitors to Yerevan on the same day, General Wald's visit generated significant and generally positive press coverage. General Wald's last visit to Armenia was in April of 2004.

"No More Obstacles to Greater Military Cooperation"

[13.](#) (C) In all of his meetings, General Wald acknowledged the significant steps Armenia had taken in the past year to open the way for a more productive defense relationship with the U.S. and NATO. General Wald confirmed that Armenia eliminated all of the obstacles to greater military cooperation, including agreeing to a Defense Assessment, signing and ratifying an Article 98 Agreement, a NATO Status of Forces Agreement, and an Acquisition and Cross-Servicing Agreement. Wald noted with satisfaction that Armenia now has a contingent in Iraq and intends to create a peacekeeping brigade and has offered to host the EUCOM disaster-response exercise, Rescuer, in 2006. The progress in the relationship has been dramatic, Wald said, and the U.S. has taken notice.

Afghanistan

[14.](#) (C) President Kocharian asked about the situation in Afghanistan and Iraq. Kocharian remarked that he had heard from his Central Asian colleagues that the production of drugs in Afghanistan had sharply increased and he recalled that about half of the Soviet soldiers returning from Afghanistan suffered from drug addictions. General Wald confirmed that drug production had increased in Afghanistan, but that the problem would be addressed, adding that NATO and UK military forces had joined forces to combat the drug problem. Wald also addressed the growing HIV/AIDS problem in Russia, Ukraine, and Belarus and the toll that this pandemic may take on these societies.

Iraq and the Middle East

[15.](#) (C) On the subject of Iraq, General Wald said he sees the glass as half-full rather than half-empty. Stability has been elusive, but progress is being registered. Wald recalled the original reasons for the conflict, noting that Saddam had flouted 17 U.N. resolutions. The day of the Iraqi elections, which turned out even better than expected, was a

great one for Iraq. Although the insurgency was still strong, al-Zarqawi would eventually be caught, and the supply of suicide bombers is not infinite. General Wald thanked Armenia for its contribution to the coalition in Iraq and expressed the hope that the Armenia would continue to provide such support.

16. (C) President Kocharian noted that Iraq belongs to a different culture and would not be easily integrated into Europe or the West. General Wald noted that the Iraqis are educated and capable and the idea of self-governance is catching on. Kocharian added that a settlement of the Israeli - Palestinian issue would make a huge difference in the region and noted that there are large Armenian communities in Lebanon and Jerusalem. General Wald agreed that the Israeli - Palestinian conflict was a central issue for the region and added that both sides must take the right steps so as to reach the point where they can implement the Roadmap.

Nagorno-Karabakh -- Too Much Saber-Rattling from Baku

17. (C) Prompted by DefMin Sargsian, President Kocharian noted that the South Caucasus had its own unresolved conflict: Nagorno-Karabakh. Kocharian claimed that the war rhetoric coming from Baku had reached a point where the Armenian side felt there was a real possibility of war. For this reason, he had asked his Foreign Minister to write a letter to the Minsk Group, and to the Minsk Group co-chairs, putting forward the suggestion that something be done to make the Line of Contact more secure. Kocharian said that there had been a tendency not to publicize violations of the cease-fire, so as not to damage the reputation of the South Caucasus, especially with the European Union; however, it was now necessary to make the violations public. Having a "watchdog" mechanism in place could help.

18. (S) Kocharian said Armenia thought Azerbaijani President Aliyev was preparing his society for the possibility of military action. Armenia did not want war because it could disrupt positive economic development in the country. However, if there ever were a need to mobilize the population, it would be necessary to crank up the military preparedness rhetoric with the Armenian public. Kocharian noted that both he and DefMin Sargsian were from Karabakh, had fought there, and knew what war meant. General Wald said that all of the conflicts, from Nagorno-Karabakh to Transnistria, Abkhazia, South Ossetia to Kashmir and Israel/Palestine needed to be settled by peaceful means. He had read FM Oskanian's letter to Secretary Rice and did not doubt that the letter would receive the attention it deserved in Washington. He thought that avoiding public acrimony was important, and if it were true that the Azerbaijanis were violating the cease-fire agreement, that this was a problem. Wald added that great leaders must be prepared to deal with great problems. He thought that perhaps the Russians and Americans might find a way to help stabilize the situation, but added the caveat that this was a matter primarily for Secretary Rice and Ambassador Mann.

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19. (S) General Wald assured President Kocharian that peace and stability in the Caucasus was a top priority within EUCOM. He asked Kocharian to do what he could to resolve the situation and do demonstrate serious leadership. For his part Wald resolved to tell President Aliyev in Baku that it would be a terrible mistake to initiate hostilities. Kocharian said that he was raising the issue not because Armenia was afraid, but because he saw a changing pattern that put Armenia at a big disadvantage. He added that while he and DefMin Sargsian had been fighting in Karabakh, "young Aliyev had been spending most of his time in Moscow casinos."

10. (S) General Wald responded that no one doubted the will or the ability of the Armenians to fight and guessed that there might be some possibility that President Aliyev did not fully understand what a disaster a renewed war would bring. He noted that war gamers at EUCOM had studied the potential consequences of renewed fighting, and concluded that there would be huge losses for both sides, but that the both sides would wind up about where they presently were, i.e., the conflict would be devastating but inconclusive.

Meeting with DefMin Sargsian

11. (C) In a separate meeting with DefMin Sargsian, General Wald noted the series of important steps Armenia has taken in order to strengthen the relationship and thanked Sargsian for Armenia's contribution to the coalition in Iraq. Sargsian said that Armenia has nearly completed its IPAP Presentation Document, which would be ready by the end of April. The only challenge he saw in the relationship was implementing the plan to expand Armenia's peacekeeping unit to a brigade using

Foreign Military Financing (FMF) funds. Sargsian expressed frustration that this program was moving slowly forward. General Wald explained that the U.S. bureaucracy can be tough to negotiate, but promised to help expedite Armenia's request for assistance.

112. (C) On the subject of Nagorno-Karabakh, Sargsian said the threats from Baku were becoming "dramatic" and criticized President Aliyev's comments that Azerbaijan would never compromise over Nagorno-Karabakh. He noted an increase in tension along the front lines. Sargsian said that Armenia had no interest in restarting the conflict, blaming the recent cease-fire violations on Azerbaijan. He offered that Azerbaijan is attempting to blackmail Armenia and the Minsk Group by threatening war if the peace talks don't bring a settlement favorable to Azerbaijan. Despite these concerns, General Wald predicted that in ten years Armenia and Azerbaijan would be fighting against terrorism together, noting that the new threat environment requires new methodologies and new alliances.

Comment

113. (C) Both Kocharian and Sargsian were pleased by General Wald's recognition of Armenia's steps to improve relations with the U.S. Armenia is clearly concerned about the recent increase of tension along the Line of Contact and the Azerbaijani initiative has taken outside of the OSCE Minsk Group.

114. (U) General Wald did not have the opportunity to clear this cable.
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